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# Progress report of the Secretary-General on the United Nations Mission of Support in East Timor

**(for the period from 10 November 2004 to 16 February 2005)**

## I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1573 (2004) of 16 November 2004, in which the Council decided to extend the mandate of the United Nations Mission of Support in East Timor (UNMISET) for a final period of six months until 20 May 2005. In paragraph 7 of that resolution, the Council requested to be kept closely and regularly informed of developments and of the implementation of the resolution. In paragraph 3, the Council requested UNMISET to focus increasingly on implementing its exit strategy, particularly with a view to ensuring increasing involvement and ownership of the Timorese in the three programme areas of the Mission. In addition, in paragraph 5, the Council urged United Nations development and humanitarian agencies and multilateral financial institutions to start immediate planning for a smooth transition from a peacekeeping operation to a sustainable development assistance framework. The present report reviews the activities of UNMISET since my report of 9 November 2004 (S/2004/888) and the steps being taken to achieve a smooth transition. It also presents my recommendations for continued international assistance to Timor-Leste beyond 20 May 2005, in order to safeguard the considerable investment made by the international community so far.

## II. Recent political developments in Timor-Leste

2. During the reporting period, the overall situation in Timor-Leste remained calm and stable despite the reported incursion of an armed ex-militia group in January and clashes between the military and police. Local elections, the first ever conducted by Timorese national authorities, were successfully held in the districts of Bobonaro and Oecussi in two phases, on 18 and 22 December 2004 respectively. Voter turnout was very high, exceeding 90 per cent in some areas; and people voted in an orderly manner, in an atmosphere free of intimidation or interference, in which the secrecy of the ballot was maintained. However, the Technical Secretariat for Electoral Administration encountered numerous logistical difficulties, including many errors contained in the voter roll in the first phase of the elections, which prevented some voters from casting their ballots. The Court of Appeal has yet to

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announce the official results, but an analysis of preliminary results shows that, while only the ruling Fretilin party registered in time to field candidates, the elections turned out to be based on local issues and personalities rather than political party affiliation. In a welcome initiative to promote women's participation in political life at the local level, the electoral law provided for a minimum of three women to be elected to each village council. Owing to logistical and financial constraints, the Government is holding village elections in a phased manner: three further districts will go to the polls in March, to be followed by elections in the eight remaining districts between April and June, according to a schedule to be decided by the National Electoral Commission.

3. The National Parliament continued to strengthen the country's legal framework through adoption of key legislation, including the law on the Council of State which was promulgated on 3 February 2005. In addition, the National Parliament is considering a number of important pieces of legislation relating to state-building, such as the draft laws on the Superior Council for Defense and Security, and draft statutes of the Public Prosecutor. Once adopted, these laws would further enhance the political and legal system of the country. In considering the draft law on freedom of assembly and demonstration, the Parliament exhibited responsiveness to public demand when it modified the draft to allow for demonstrations beyond 100 metres of governmental and other key public buildings, rather than the more restrictive 500 metres originally proposed by the Council of Ministers.

4. The Government also continued to make efforts to meet its human rights treaty reporting obligations. A common core document covering overlapping areas in all human rights treaties and a questionnaire based on the core document have been introduced to focal points engaged in gathering data for the preparation of the reports. However, no progress has been made in the selection of the Provedor for Human Rights and Justice. The delay is a cause for concern, especially in the light of the recent increase in reported cases of abuse of police power, including assaults and threats, which are not being adequately addressed by internal disciplinary processes and are rarely taken up by the Public Prosecutor for institution of criminal proceedings. The tendency to use police powers in dealing with political opposition is also a cause for concern.

5. Occasional problems continue to arise between the Timorese armed forces and the national police despite efforts to improve the relationship between the two entities, including attempts to shed light on the Los Palos incident of January 2004, in which members of the armed forces were involved in a confrontation with the national police and civilians. On 16 December 2004, a group of 20 armed soldiers attacked a police station in Dili, injuring two officers and causing damage to the premises. This incident highlights the need to effectively address the strained relationship between the two security forces, including through a clear definition of their respective roles and disciplinary action against those responsible for the latest incident.

6. Reported sightings of alleged ex-militia groups, especially in border areas, have recurred in recent weeks. In an operation to verify one such report from the local community in Cailaco, Bobonaro district, on 18 January, the national police encountered six armed men. Following an exchange of gunfire, one member of the group was arrested. On 20 January, the Prime Minister, Mari Alkatiri, publicly

stated that it should not be assumed that the ex-militia infiltrators were acting at the behest of the Indonesian army. Nevertheless, the Tactical Coordination Line remains porous, and disputes between opposing villages, illegal trading, smuggling, illegal border crossings and minor criminal activities continue to occur.

7. Relations between Timor-Leste and Indonesia continued to improve and frequent high-level meetings were held during the reporting period. At their meeting in Bali on 13 December 2004, the President of Timor-Leste, Xanana Gusmão, and Prime Minister Alkatiri agreed with the President of Indonesia, Susilo Bambang Yudhoyono, that a Truth and Friendship Commission would be formed to deal with human rights abuses perpetrated in 1999 and other bilateral issues. During his visit to Jakarta from 27 to 29 January 2005, President Gusmão continued to discuss with President Yudhoyono the Truth and Friendship Commission, whose terms of reference were subsequently reviewed at a meeting between the Minister for Foreign Affairs of Timor-Leste, José Ramos-Horta, and his Indonesian counterpart, Hassan Wirajuda, held from 7 to 9 February. At a meeting late in December 2004 with Ministers Ramos-Horta and Wirajuda, I stressed that the issue of serious crimes committed in 1999 was a concern not only for the two countries, but also for the wider international community. I also recalled that the Security Council, in its resolution 1573 (2004), had reaffirmed the need to fight against impunity, and had taken note of my intention to continue to explore possible ways to address this issue with a view to making proposals as appropriate.

8. In this connection, I have decided to establish a commission of experts, and the Security Council has duly taken note of that. Its task would be to conduct a thorough assessment of the progress made in the processes involving the Ad Hoc Human Rights Tribunal in Jakarta, on the one hand, and the Serious Crimes Unit and the Special Panels for serious crimes in Dili, on the other, and to make appropriate recommendations to me. The commission of experts will also be requested to consider ways in which its analysis could be of assistance to the Truth and Friendship Commission.

9. Following the Indian Ocean tsunami on 26 December 2004, the Government and people of Timor-Leste showed strong solidarity with the affected countries, particularly Indonesia. The Government contributed $50,000 to the relief efforts through the Office for the Coordination of Humanitarian Affairs. In addition, President Gusmão launched the "Operation Solidarity" fund to collect donations from individual citizens across Timor-Leste to assist the victims in the worst-hit Indonesian province, Aceh.

10. Despite the improved relations between the two countries, no further progress was made on the delineation of the land border between Indonesia and Timor-Leste. The Indonesia-Timor-Leste Technical Subcommittee on Border Demarcation and Regulation met in Bali on 22 and 23 December 2004 to discuss follow-up actions required by the agreement on additional segments of the border, which the Committee had reached at its previous meeting in October 2004, thereby bringing to over 95 per cent the length of the border agreed upon. Meanwhile, Indonesia requested that plans for further joint surveys of the border be postponed from early January, as previously planned, to early March, owing to the new Government's decision to review expenditures. The Timorese side, for its part, has asked for a further delay until June. Therefore, it is unlikely that a final agreement can be concluded by the end of the UNMISET mandate.

# III. Contribution of the United Nations

## A. Role of the Mission

11. Since my last report (S/2004/888), the eight transition working groups, which were constituted by my Special Representative in August 2004 to assess progress made in institutional capacity-building, identify Timor-Leste's remaining assistance requirements and propose how best to meet them, have completed their work. In line with the request of the Security Council, in resolution 1573 (2004), for greater Timorese involvement and ownership of the three programme areas of the Mission's mandate and at the request of UNMISET, the President, the Prime Minister and several Government ministers participated in and in some cases chaired various meetings of the working groups, which brought together representatives of the Government, UNMISET, United Nations agencies and Bretton Woods institutions, non-governmental organizations and other bilateral and multilateral partners. While the findings and conclusions of the working groups do not necessarily represent a consensus of all participants, they reflect an objective assessment of the key concerns remaining in the areas covered by the UNMISET mandate, namely the development of a professional police service, the deficiencies of the Timorese security sector and the overall capacity development of State and Government institutions, including the development of a functioning justice sector. Also addressed were the continuing requirements for enhancing transparency and accountability, the future of the serious crimes process and the need to support marginalized groups.

12. The transition working group on professional development of the national police also stressed the need for continued international assistance to build an independent, professional and competent police force, pointing, in particular, to the continued human rights abuses perpetrated by Timorese law-enforcement agents as well as the inadequate skills of the police force in various areas, especially the Border Patrol Unit. The transition working group on the roles and relationships of national security agencies noted that United Nations assistance would be required beyond May 2005 in order to develop a national security framework in which the respective roles of the armed forces and the national police are clearly defined.

13. The transition working groups on institutional capacity-building of State administration and institution-building of the justice sector reviewed the need for the 58 "most critical" adviser positions, currently funded by UNMISET, beyond May 2005. The findings of the groups indicate that while local capacity has been built and institutional self-sufficiency greatly enhanced, there is still in some cases, especially in the legal and justice sectors, significant reliance on the international advisers to perform both line functions and to supervise the work of Timorese counterparts. In this connection, the retention of the 15 "most critical" adviser posts in the justice sector was considered vital to the continued functioning of the courts beyond May 2005, given the acute shortage of qualified national judges and the related need for Timorese judicial personnel to complete the two-and-a-half-year training programme.

14. The findings and conclusions of the transition working groups clearly show that, notwithstanding the extraordinary achievements made by Timor-Leste, the assistance of the international community continues to be required in many vital

areas to enable the country to build upon the foundations that have already been laid and to reach the critical threshold of self-sufficiency.

15. Meanwhile, as part of its exit strategy, UNMISET has started a new weekly radio programme, broadcast on the national radio in the local language, which has significantly contributed to raising the local population's awareness of the current activities and exit strategy of UNMISET, as well as the plans and efforts by UNMISET to gradually transfer ownership of the process to the Timorese.

## Programme I
## Support for the public administration and justice system of Timor-Leste and for justice in the area of serious crimes

### 1. Support to the public administration and justice system

16. UNMISET civilian advisers continued to focus on the transfer of skills and knowledge to their Timorese counterparts with a view to strengthening the capacity of Timorese State institutions. Progress has been achieved in a number of areas, as shown by the preliminary results of a survey on future advisory support requirements by Timor-Leste institutions conducted in December 2004 and January 2005, as well as a recent assessment of progress in capacity development conducted by the mission's Civilian Support Group. With only the support of UNMISET civilian advisers, for example, Timorese officials have been able to develop a range of sector investment programmes which set out development objectives, policies and programmes for 17 key sectors, as well as related expenditure priorities for the period from June 2005 to August 2007.

17. Encouraging progress has also been made in the finance sector. The essential functions of the Banking and Payments Authority have been taken over by Timorese staff. In the case of the Treasury, the capacity of national staff to perform certain key routine tasks such as the closing of monthly and quarterly accounts, payroll operations and budget execution activities and to use computer software has been consolidated. It is expected that a national counterpart will be appointed shortly to the post of Director of the Treasury, currently filled by an UNMISET adviser. However, the assistance of the advisers continues to be essential for the performance of more complex operations such as the coordination of multiple activities, verification through various checks and balances of Treasury activities, oversight of the production of annual accounts and reports, and coordination with donors on transactions.

18. The justice sector remains particularly weak. The UNMISET civilian advisers have continued to perform line functions as judges, public defenders, prosecutors and court administrators at both the Court of Appeal and district courts. Although the provision of international judges has partially reduced the backlog of pending cases in the district courts, the operation of these district courts remains sporadic and uneven. Only the district court in Dili operates on a full-time basis. Access to justice including access to legal services and advice remains weak.

19. Meanwhile the Timorese will continue to rely heavily on international support. Regrettably, on 20 January 2005 it was announced that all national judges had failed the written evaluation test and would thus not be eligible for conversion of their appointments from probationary to career judges. Although 5 of the 22 judges were

authorized by the Superior Council of the Judiciary to continue exercising their functions to allow the serious crimes and National Electoral Commission processes to be completed, the majority of national judges will have to cease the exercise of their judiciary functions, which will result in complete reliance on international judges for both criminal and civil cases. However, in a separate examination, 20 of these judges did succeed in the preliminary phase of the training programme and will continue with advanced training. By 2007, this post-graduate training programme is expected to produce a cadre of qualified national professionals who will be able to take over more of the functions currently carried out by the international advisers. The development of a trained cadre of Timorese court officials and maintenance of judicial services delivery has proved to be a long-term endeavour that will require continued international support.

20. At the same time, UNMISET legal advisers working in various State institutions continued to assist in the drafting and review laws, as well as the provision of legal advice. Timorese reliance on their assistance to draft key legislation and ensure the harmonization of draft laws with existing legislation remains significant. In addition, the shortage of legally trained Timorese counterparts has seriously constrained the extent to which UNMISET civilian advisers have been able to transfer specialist skills and knowledge.

21. On the basis of its own assessment of the requirements, the Government has requested continued international assistance to the public administration and justice sectors beyond 20 May 2005, including the retention of all 58 "most critical" adviser posts currently provided by UNMISET. An assessment conducted by UNMISET indicates that 45 such posts require international assistance beyond 20 May 2005, to ensure the continued functioning of State institutions, including those in the justice, legal and finance sectors.

22. As part of the UNMISET exit strategy, the Civilian Support Group is working more closely with the Government's Capacity Development Coordination Unit, which is responsible for coordinating and monitoring all capacity-building activities in Timor-Leste. Some components, such as the monitoring and evaluation functions, will be transferred to the Unit. This will help the Civilian Support Group in training national staff in the Unit to take over its work.

23. UNMISET has also been working closely with United Nations agencies and other bilateral and multilateral development partners to identify "responsible hands" to take over the 58 UNMISET civilian adviser positions after 20 May 2005. While some partners have expressed interest in funding some of the positions, no firm commitment has been received so far. UNMISET has made special efforts to obtain the support of the United Nations Development Programme (UNDP), which is currently managing an assistance programme that includes 118 "critical" adviser posts. However, funding remains a cause of concern.

### 2. Support for justice in the area of serious crimes

24. Since my last report, the Serious Crimes Unit has made significant progress towards achieving justice for crimes committed in 1999. The Unit filed an additional 13 indictments involving 42 accused persons, including the suspected murderers of two local United Nations staff members on the day of the popular consultation. The new indictments concentrated on the organizers of the violence and the most egregious direct perpetrators of murders. As directed by the Security

Council in paragraph 8 of its resolution 1543 (2004), the Serious Crimes Unit ended all investigations on 30 November 2004. Prosecutors analysed the results of these investigations and the Unit filed its last indictment on 17 December 2004.

25. In order to accommodate Timorese judges undergoing mandatory training, the Special Panels for serious crimes began operating two panels in split sessions and expanded the hours for hearing cases. In addition, for the first time, a third panel was formed and began conducting trials simultaneously in a second courtroom to further expedite the completion of trials by 20 May 2005 as directed by the Security Council in resolution 1543 (2004). The additional court time has allowed the Special Panels to complete six trials involving 19 defendants over the last three months. To date, the trials of 77 defendants have been completed; 74 of them were convicted of at least one charge and three acquitted of all charges. At present, the trials of eight cases involving 11 defendants are ongoing or pending. At the current rate, it is expected that all trials will be completed by 20 May 2005.

26. In addition, during the reporting period, the Special Panels issued 49 arrest warrants and denied three warrant requests. With a total of 211 arrest warrants having been issued to date, 39 warrant requests remain pending before the Special Panels. The prosecution is preparing additional warrant requests against 13 individuals who have been indicted recently and who are believed to be currently residing outside Timor-Leste. It is anticipated that all warrant requests will be ruled upon before 20 May 2005.

27. Meanwhile, five serious crimes cases were heard by the Court of Appeal. One acquittal was overturned, resulting in the conviction of one defendant of crimes against humanity, while the other four cases were dismissed. At present, at least five serious crimes cases remain pending before the Court of Appeal and it is expected that additional appeals will be filed by 20 May 2005.

28. All identified human remains in the possession of the Serious Crimes Unit have been returned to the respective families. The Unit is coordinating with Government and religious authorities to arrange for the respectful burial of 33 sets of unidentified human remains that are still in its possession.

29. The Serious Crimes Unit, the Defence Lawyers Unit and the Special Panels are preparing the handover of necessary materials to the relevant Timorese authorities. This process is particularly challenging for the prosecution, which has several hundred thousands of pages of investigative material in addition to thousands of pages of court documents. In this connection, the Unit is creating a searchable database, preparing handover notes on cases and identifying the most critical documents for translation, as requested by the Timorese authorities.

30. Increasing national ownership of the process is important; 304 indicted persons remain outside Timor-Leste, and it is likely that some of them will return in the coming years. At present, the Timorese justice system does not have the capacity to handle cases in which indicted persons were arrested by the authorities upon returning to the country. While the Government is still developing future plans for the serious crimes process, UNMISET has taken preliminary measures to assist it in addressing the issues. These include suggestions for legislative amendments, including changes to the current judicial composition of the Special Panels, so that the Timorese judges can hear the cases with little or no international participation.

In addition, the Serious Crimes Unit provides training to 21 national police officers and 12 national lawyers and technical staff.

31. As noted in my previous reports, the serious crimes process may not be able to fully respond to the desire for justice of those affected by the violence of 1999 within the limited time and resources that remain available. It is likely that a significant number of cases will not have been investigated or prosecuted by 20 May 2005. The indictments filed by the Serious Crimes Unit cover 572 of the estimated 1,400 murders committed in 1999. A number of cases, which have been referred to the Serious Crimes Unit by the Commission for Reception, Truth and Reconciliation, involve serious crimes and are thus deemed unsuitable for reconciliation processes. These cases have not yet been investigated. Formal legal processes are a crucial aspect of efforts to move beyond the violence that occurred in 1999. It is thus essential that all those responsible for the serious crimes committed in 1999 be held accountable, and that justice be done in the appropriate manner. As already noted in paragraph 8 above, I have therefore decided to establish a commission of experts to assess the outcome of the two judicial processes in Jakarta and Dili and to make appropriate recommendations to me.

32. The Commission for Reception, Truth and Reconciliation finished its research work and focused on the preparation of its final report, which is due to be completed before the end of the Commission's mandate on 7 July 2005 and subsequently submitted to the President, the Prime Minister and the National Parliament. The report will provide the first independently researched account of human rights violations committed in Timor-Leste from 1974 until 1999, as well as make recommendations for necessary action. It is expected to contribute to reconciliation and help foster a culture of human rights and accountability in Timor-Leste, as well as providing lessons learned for other post-conflict situations.

## Programme II
## Support to the development of law enforcement in Timor-Leste

33. UNMISET civilian police advisers continued to play a key role in providing training to the national police through implementation of the skills development plan. Of the approximately 1,700 police officers who completed the first phase of the plan in December, only half were able to achieve the desired level of competence. The second phase of the plan commenced shortly afterwards, focusing essentially on investigation skills and forensic science. Around 300 police investigators completed the training at the end of January 2005. Further training is being planned to consolidate the skills already acquired by police officers and to allow them to reach the intermediate level by May 2005. A series of training workshops for senior managers will also be held before May.

34. As previously reported, the Police Reserve Unit received closely supervised in-service training until its first operational deployment on 29 November 2004. The Unit is currently deployed at five different locations in the districts of Liquica, Maliana and Ermera, where it is conducting community policing and specialized patrols under the close supervision and monitoring of the UNMISET technical advisers. Nevertheless, additional training is required before the Unit can reach the standards of a special unit; this training will commence shortly after the completion of the field exercise in February 2005. The Rapid Intervention Unit completed its

basic training at the end of January and is now undergoing in-service training aimed at acquiring additional skills in the areas of leadership, command and control and the handling of riots.

35. The Border Police Unit, which has reached its full strength of 300, is now responsible for all junction points in the three border districts. The UNMISET technical advisers have delivered a comprehensive "training-of-trainers" course, based on the 17 specialized modules developed by the UNMISET police component. In January, they then began to assist the trainers in the training of all border patrol officers in their respective border district areas. Additional training on another six specialized subjects will be provided by the UNMISET military liaison officers, to further enhance the skills of the border patrol officers. It is expected that by the end of May 2005, all special units will have self-sustainable trainers with specialized knowledge in their respective areas. However, the border patrol officers do not yet have the capacity to perform professional tasks at the desired level of proficiency and competence.

36. UNMISET and the national police have also undertaken joint efforts to address gender-based violence. The establishment of a Vulnerable Persons Unit within the police force is noteworthy in this regard, although institutional capacities to implement gender-responsive measures remain underdeveloped given the high number of reported incidents of gender-based violence and sexual abuse in all districts.

37. In order to address the logistics and infrastructure requirements of the national police, the UNMISET police component is conducting a needs inventory with a view at filling any major gaps that remain at the end of the Mission's mandate through donations. The Border Police Unit, in particular, has been severely hampered in the conduct of its operations by a shortage of communication and transportation equipment. Support has also been provided to the police administration through the development of a new personnel database project, including the training of human resources to maintain the system. Moreover, UNMISET civilian police advisers have provided close mentoring to the Capacity-Building Unit, which has been drafting and reviewing the standard operating procedures of the national police.

38. Nonetheless, a number of major problems remain, which can only be addressed through continued international support to Timorese law-enforcement agencies beyond May 2005. First, the professionalism of the national police remains a cause of serious concern. Reports of police misconduct, including excessive use of force, assaults, negligent use of firearms and various human rights abuses, have increased since May 2004, although the increase is partly a result of better reporting of incidents. Second, lack of transparency and a slow-paced investigation mechanism have contributed to a poor level of police accountability. For example, the report of the special investigation into the incident of 20 July 2004, in which the police used excessive force to disperse a largely peaceful demonstration, has not yet been completed. These delays are perceived by the community as voluntary inaction and hence undermine the general trust in the professionalism of the police.

39. In the following months, UNMISET civilian police advisers will continue to work closely with their counterparts in an effort to reduce incidents of misconduct and human rights abuses and eventually transform the national police into an impartial and professional police service. A step towards increasing the

accountability and professionalism of the police is the initiative to introduce UNMISET-trained professional ethics officers in four districts to assist in the investigation of professional ethics complaints. In addition, the UNMISET Human Rights Unit has been providing human rights training to regular and specialized police units, as well as to civil society groups, so as to ensure an adequate level of human rights awareness within the community and to monitor abuses committed by the police.

40. The UNMISET police component has been implementing its exit strategy through training and transfer of knowledge since May 2004, when the executive power for law enforcement in Timor-Leste was handed over to the national police. To this end, the police component has increased its cooperation and coordination not only with the national police, but also with advisers of the Timor-Leste Police Development Programme, a project jointly funded by Australia and the United Kingdom of Great Britain and Northern Ireland. Some of the advisers will continue to assist the national police beyond May 2005. Nevertheless, the development of a professional police service requires considerable time and it is becoming increasingly clear that support to this endeavour will continue to be essential after the Mission's current mandate expires. In particular, assistance will be required for the training of the special units, especially the Border Police Unit, as shown by a recent internal assessment. Continued United Nations support will also be required in the area of human rights training and monitoring, as indicated by an internal assessment of professional ethics status within the national police.

41. In this regard, the Government of Timor-Leste has indicated that it would continue to require the presence of 62 international civilian police advisers beyond 20 May 2005 to supplement the assistance provided by bilateral partners. However, an assessment by UNMISET indicates that 40 civilian police advisers might be sufficient.

## Programme III
## Support for the security and stability of Timor-Leste

42. Although the capacity of the Timorese defence force continued to grow, it remains hampered by a lack of experienced personnel, coordinated training and equipment, and by limited logistic capacity. Following the recent recruitment drive, 258 new personnel are currently undergoing training, which is expected to end on 21 March 2005. The defence force plans to recruit and train 70 additional soldiers in the coming six months. Work on the defence plan known as "Defence 2020" has progressed: a series of workshops was held in December 2004. Although further progress is expected at the end of the workshops in May 2005, the project will still be a long way from completion.

43. The UNMISET military component continued to assist the development of the Timorese defence force through its skills and knowledge transfer programme. The programme, which was designed to complement various bilateral efforts, is scheduled to continue until the end of the Mission's mandate in May 2005.

44. The military component also continued to support the efforts of the Timorese security agencies to maintain security and stability, while maintaining situation awareness and providing a calming presence through frequent patrols in the border areas. In order to increase the responsibility of the Timorese security agencies and

reduce the visible presence of the UNMISET security forces, the UNMISET military component has begun to operate at a five-kilometre distance from the Tactical Coordination Line. It will maintain this practice until the end of the Mission's mandate. Patrolling within the five-kilometre zone has been limited to members of the military liaison group, who operate side by side with the Timorese Border Patrol Unit.

45. The military liaison group has continued to foster close collaboration between the Timorese and Indonesian border security agencies, at both the strategic and operational levels. As a result of the group's efforts, weekly meetings are held at various border junction points, where members of border security agencies of the two countries discuss and resolve border issues and disputes. Nevertheless, working relations between Timor-Leste and Indonesian border security agencies remain at the developing stage, and the Timorese border security agencies have not yet reached the point where they can interact with their Indonesian counterparts on their own, nor have they gained sufficient capacity to manage the border affairs alone.

46. Although the UNMISET military component, in cooperation with UNMISET civilian police advisers, will continue to provide training to the Border Patrol Unit in the coming months, additional training will likely be required beyond May 2005 to enable the Border Patrol Unit to overcome its lack of experience, confidence and capacity to manage border affairs, relative to its Indonesian military counterparts.

47. Many of the factors that warrant the presence of military liaison officers have thus not changed. Additional training by the military liaison group, in cooperation with UNMISET civilian police advisers, will be needed to bring the Timorese border security agencies to the required level of self-sufficiency. Moreover, the presence of military liaison officers will continue to be necessary, to facilitate necessary communication between the two parties, especially so long as a formal agreement on the border is not reached. In this context, it should be noted that the military liaison arrangement that is currently in effect between the Indonesian army and the UNMISET military component will end on 20 May 2005. A successor arrangement between Indonesia and Timor-Leste, under which the Tactical Coordination Line would remain in place but the Border Patrol Unit would replace the UNMISET military component, was presented to both sides in November 2004, but has not yet been endorsed by either Government. Should neither a final agreement on the demarcation of the land border, nor a border management agreement like the military liaison arrangement, be reached by 20 May 2005, there will be no legal framework to guide border normalization issues. UNMISET will continue to present the draft military liaison arrangement for consideration by the two Governments and I would urge them both to give it adequate consideration with a view to expeditiously resolving this issue.

48. In view of the above, the Government of Timor-Leste feels a compelling need to retain military liaison officers at the border and has requested that a 41-person military liaison component continue to be deployed beyond 20 May 2005. In accordance with the advice provided by UNMISET, I recommend retaining 35 military liaison officers, whose primary task would be to continue facilitating contacts between the Timorese and Indonesian border security agencies, as well as providing additional training to the Timorese border security agencies and, to a lesser extent, monitoring security-related developments along the border.

49. In addition, the continued deployment of a small international security force will be required, to provide protection to the military liaison officers and other United Nations personnel and contribute to maintaining a reassuring presence. Although the Timorese security forces have gained additional skills and experience, they have not yet reached the level where they can provide adequate protection and evacuation support to the military liaison officers and other United Nations personnel. Nor is there a suitable regional organization that could fill the gap and provide the necessary security guarantee for the military liaison officers and United Nations personnel. While further planning in this regard is required, a preliminary assessment indicated that a small security force of 144 troops, including logistic support and air mobility, would be required to provide the necessary protection. The 125-person International Response Unit, which is no longer required now that the Timorese Police Reserve Unit has become operational, will be withdrawn. This would result in a significant reduction of the military component, from the current 477 (including military liaison officers) to approximately 179, as well as in considerable savings.

## B. Role of the United Nations system

50. Despite progress towards physical reconstruction and social development since Timor-Leste attained independence in May 2002, significant challenges remain. The country still has the lowest levels of human development in Asia, and continued efforts will be needed in the areas of health and education, as well as other aspects of human development. In addition, the Government will need to increase efforts to develop a dynamic private sector — including by the adoption of legislation to regulate foreign investment and the use of natural resources — in order to improve growth prospects and reduce widespread poverty and unemployment. Continued international assistance will be essential to support the Government's efforts towards these objectives.

51. The World Bank has continued to coordinate the transition support programme, a budget support programme which contributes about $35 million per year to the Timorese budget, while monitoring progress in the areas of governance, delivery of basic services and job creation. A mission to assess progress in the transition support programme in November 2004 noted particularly strong progress in the areas of health, public sector and public finance management, savings policy and establishment of a petroleum fund. Since November 2004, the Trust Fund for East Timor administered by the World Bank has assisted, inter alia, the establishment of eight community health centres, the construction of 10 primary schools and the opening of a fifth regional business training centre to train local entrepreneurs.

52. The International Monetary Fund continued to assist the Government, through a close policy dialogue, in maintaining macroeconomic stability, especially in the area of fiscal policy. The Fund also helped to strengthen Timor-Leste's economic institutions and capacity, including through technical assistance to establish a petroleum fund and further develop the Banking Payment Authority. The Asian Development Bank is in the process of completing the final infrastructure rehabilitation project for roads and bridges, funded by the Trust Fund for East Timor, and the micro-finance project.

53. UNDP provided the Government with advisory as well as material support for the local elections in the districts of Bobonaro and Oecussi in December 2004. In collaboration with the United Nations Capital Development Fund, UNDP is supporting the Government's efforts in decentralization and the formation of local governance policy through a local development pilot programme in Bobonaro district, launched in January. In addition, in cooperation with the International Labour Organization, the United Nations Development Fund for Women and the United Nations Office for Project Services, UNDP has commenced an $18-million rural development programme, which includes support to agricultural activities, community development, vocational training and the empowerment of women, with special consideration to the development of border areas. Moreover, as noted in paragraph 23 above, UNDP continues to work with UNMISET in the training of professionals in the justice sector, in order to develop the capacity of the public administration. Under the Institutional Capacity Development Support Programme, UNDP currently provides 55 advisers to the State institutions; this number is expected to increase to 75 by May 2005. However, with the current level of resources, UNDP will not be able to support these posts from the latter part of 2005 onwards.

54. The World Food Programme has begun to shift the focus of its programme from short-term emergency response to medium-term emergency preparedness and recovery. The programme will contribute to the establishment of a safety net for the most vulnerable population, while continuing to support the Government's efforts to develop emergency preparedness for natural disasters.

55. The World Health Organization (WHO), the United Nations Children's Fund (UNICEF) and the United Nations Population Fund (UNFPA) have supported the development of key national health policies, such as the national reproductive health policy, the national immunization policy and the national nutrition policy. To reduce the high level of maternal deaths, UNFPA began a programme in January 2005 to train general practitioners, medical doctors and midwives in emergency obstetric care, while UNICEF developed the first maternal-child health handbook to record and monitor mothers' health as well as children's birth, growth and development. WHO is strengthening the integration of disease surveillance, prevention and control of malaria, tuberculosis and HIV/AIDS. The United Nations theme group on HIV/AIDS is helping the Government to review the progress of its national strategic plan on HIV/AIDS, and to develop a work plan for its implementation

56. UNICEF has continued to work closely with the Government in building a protective environment for children, including measures for social and legal protection. A draft children's code has been developed, and is expected to be finalized in the first half of 2005. UNICEF supports initiatives to ensure that Government officials, including social workers, police officers, judicial actors and others have the capacity and skills to properly deal with cases involving children. UNICEF has also provided technical support for the development of a national curriculum reform process for primary education. The United Nations Educational, Scientific and Cultural Organization continues its cooperation programme with the National University of Timor Lorosae for the training of lecturers and students.

57. The Office of the United Nations High Commissioner for Refugees (UNHCR) and UNICEF worked together to assist children separated from their families by conflict. By the end of 2004, UNHCR had scaled down its operations for the return

of former refugees from Indonesia to Timor-Leste, maintaining only a residual capacity. UNHCR, UNICEF, the International Organization for Migration (IOM) and the related UNMISET units continue to support ongoing Government efforts to combat the trafficking of persons to, through and from Timor-Leste through an inter-agency counter-trafficking working group, which is chaired by the Ministry of Foreign Affairs and Cooperation. At the request of the Department of Migration, IOM completed a review of Timor-Leste's migration management system. IOM is also addressing the needs for water and sanitation of some 3,500 beneficiaries in three districts.

58. Meanwhile, the United Nations system has begun efforts to assume some of the responsibilities which currently rest with UNMISET. The World Bank is preparing a multi-donor planning and financial management capacity-building project that will support technical assistance and training, both abroad and locally, for the Ministry of Planning and Finance and other line ministries. The World Bank is also evaluating the Government's request for the continuation of the transition support programme for another three years, until the fiscal year 2007/08. UNDP is approaching development partners to mobilize additional resources for the capacity development programme. The forthcoming development partners conference will provide a forum to discuss the results of the review with the Government and development partners.

## IV. Financial aspects

59. As indicated in my last report to the Security Council (see S/2004/888, sect. IV), the General Assembly, by its resolution 59/13 of 29 October 2004, appropriated for the financial period from 1 July 2004 to 30 June 2005 some $85.2 million for the maintenance of UNMISET and commencement of its administrative liquidation.

60. It will be my intention to seek additional resources from the General Assembly, if necessary, in response to any decision the Council may wish to take regarding the United Nations post-UNMISET presence in Timor-Leste.

61. As at 31 January 2005, unpaid assessed contributions to the special account for UNTAET/UNMISET amounted to $85.1 million. The total outstanding assessed contributions for all peacekeeping operations at that date amounted to $2,315.6 million.

## V. Observations and recommendations

62. Tangible progress was achieved in establishing sustainable State institutions and in promoting democracy, transparency and accountability, and respect for human rights during the consolidation phase of UNMISET, which started in May 2004. Evidence of this progress are the successful holding of local elections in the districts of Bobonaro and Oecussi, the adoption of legislation that is essential for a democratic society based on the rule of law, and the Government's implementation of measures to resolve the veterans question and the issue of violence between martial arts groups. The capacity of key State institutions, including those in the

areas of finance and law enforcement, continued to improve as personnel acquired new skills and experience.

63. Nevertheless, significant challenges remain, and the provision of international assistance beyond the expiration of the current mandate of UNMISET on 20 May 2005 will be crucial for the long-term security, stability and sustainable development of the country, particularly in the following areas, as also recommended by the transition working groups:

- **Border management and control**. The performance of the Border Patrol Unit has improved, but it still lacks sufficient capacity to manage border affairs and to interact with the Indonesian national army on its own. Despite efforts by both sides, no final agreement on the border between Indonesia and Timor-Leste has been reached, nor have legal arrangements for the interim management of the Tactical Coordination Line been put into place.

- **Development of a professional police service**. The national police force has gained considerable experience since it assumed responsibility for internal security in May 2004, but still lacks critical skills and proficiency, particularly in the areas of investigations, forensics and logistics. Given continued reports of misconduct, the lack of professional ethics remains a concern and further training is required, particularly for the specialized units.

- **Development of critical State institutions**. While the capacity of the public administration has been greatly enhanced, some core State institutions, particularly in the justice and finance sectors, still rely on international advisers for the performance of line functions owing to a shortage of qualified personnel.

- **Observance of democratic governance and human rights**. The Government is committed to the principles of democracy, rule of law and human rights. However, there are allegations of corruption within Government institutions, as well as allegations of political interference with the work of the national police and continued reports of human rights violations by the police. The Office of the Provedor for Human Rights and Justice has yet to be established.

64. In accordance with Security Council resolution 1573 (2004), UNMISET has undertaken persistent efforts to secure continued support from bilateral and multilateral partners beyond the expiration of the Mission's mandate in May 2005, while encouraging increasing Timorese involvement in and ownership of the Mission's three programmes.

65. Some bilateral and multilateral partners have expressed interest in taking over some of the UNMISET civilian adviser positions in the public administration, as well as providing or increasing assistance to police development programmes, but no firm commitments have been received. While UNMISET continues its efforts to identify partners, it is becoming increasingly clear that the level of assistance that the Mission has been able to secure for the period following its planned closure in May would not be adequate to address the needs as identified by the transition working groups.

66. Prime Minister Alkatiri has written to me requesting continued United Nations assistance for one more year. I am aware that he has made a similar request in a

letter addressed to Heads of State and Government, including the members of the Security Council.

67. According to the findings of the transition working groups on requirements for continued international assistance to Timor-Leste, and in view of the unavailability at this time of viable alternatives to provide the assistance that Timor-Leste requires, a withdrawal of UNMISET would have a potentially negative impact on the security and stability of the country as well as the proper functioning of State institutions. At the same time, significant inroads have been made. I therefore recommend maintaining a United Nations mission with a scaled-down structure for a period of up to 12 months, until 20 May 2006, as outlined below. This period could be shortened if, within that time frame, bilateral and multilateral arrangements are identified to assume the critical responsibilities currently performed by UNMISET. Similarly, the number of personnel outlined below could be reduced during that period, as and when persons provided under such arrangements become available to take over those responsibilities.

68. The reconfigured structure of the mission would have the following components:

- **35 military liaison officers** (down from 42 at present) with 144-person back-up security support (instead of the current 310), including airborne mobility, primarily to facilitate the contacts between Timorese and Indonesian border security agencies. The officers would also contribute to capacity-building of the Border Patrol Unit and monitor security-related developments along the border. The Timorese Police Reserve Unit has become operational and is improving its capacity. Consequently, the 125-person International Response Unit will no longer be required, resulting in an overall reduction of military personnel from 477 to 179.

- **40 police trainers** (down from 157 at present), to provide further training to special units of the national police in the areas of investigation, forensics and logistics, and to help to promote professional ethics.

- **45 civilian advisers** (reduced from the current 58), to provide training and supervision as part of the capacity-building efforts in public administration. Some advisers would continue to perform line functions to support critical State institutions, particularly in the justice sector where their Timorese counterparts are undergoing legal training.

- **10 human rights officers** (down from 14 at present), to promote respect for human rights through training and monitoring, and to assist in the establishment of the Office of the Provedor for Human Rights and Justice.

- a small office supporting my Special Representative, inter alia, to coordinate the work of the mission with United Nations system partners in Timor-Leste.

69. The achievements that the people of Timor-Leste have made in building their own country in the short period since 1999 are truly remarkable. Nevertheless, the need to continue to support Timorese institution-building efforts remains critical, so as to protect the gains made until now. A premature termination of the tasks described above may jeopardize those very achievements as well as the significant investment that the international community has made in Timor-Leste since 1999. It

is therefore my hope that members of the Council will give serious consideration to my proposal for a reconfigured and scaled-down mission.

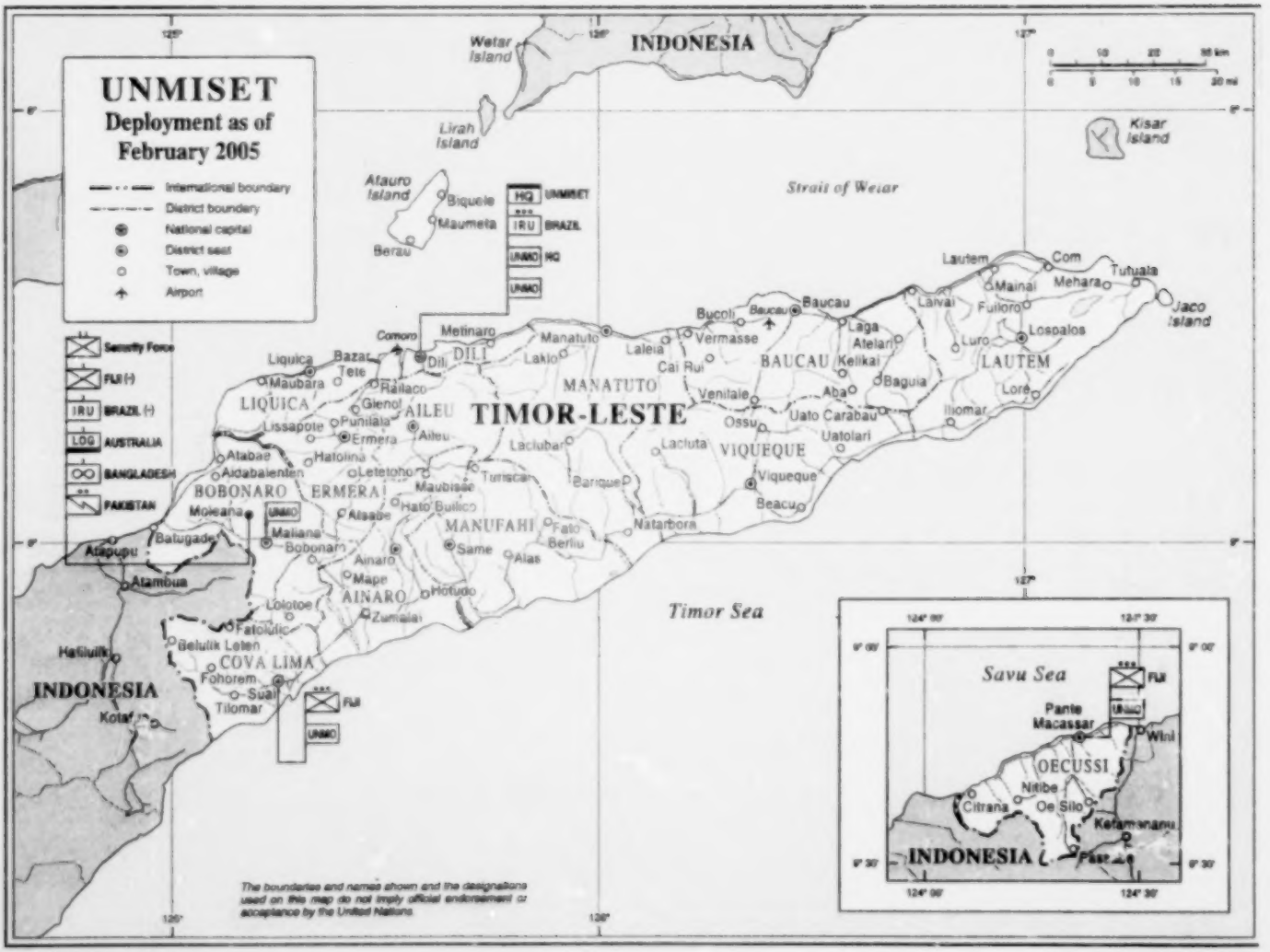
70. In conclusion, I would like to commend my Special Representative, Sukehiro Hasegawa, and the civilian, military and police components of UNMISET for their dedicated efforts in implementing the Mission's mandate. I would also like to record my deep appreciation to the people of Timor-Leste, who continue to forge ahead on their path towards peace, prosperity and development under their political leadership. Their commitment to democracy, the rule of law and human rights is a timely reminder of what a determined people can achieve with the support of the international community.

## Annex

### United Nations Mission of Support in East Timor: civilian police and military strength

(as at 31 January 2005)

| | *Civilian police* | *Troops* | *Military observers* | *Total* |
|---|---|---|---|---|
| Argentina | - | - | - | 0 |
| Australia | 17 | 92 | 3 | 112 |
| Bangladesh | 2 | 34 | 1 | 37 |
| Bolivia | - | - | 2 | 2 |
| Bosnia and Herzegovina | 2 | - | - | 2 |
| Brazil | 4 | 135 | 4 | 143 |
| China | 16 | - | - | 16 |
| Croatia | 1 | - | - | 1 |
| Denmark | - | - | 2 | 2 |
| Fiji | - | 136 | - | 136 |
| Ghana | 3 | - | - | 3 |
| Jordan | 5 | - | 2 | 7 |
| Malaysia | 14 | 5 | 6 | 25 |
| Mozambique | - | - | 2 | 2 |
| Nepal | 2 | - | 2 | 4 |
| New Zealand | - | 1 | 2 | 3 |
| Norway | 1 | - | - | 1 |
| Pakistan | 10 | 19 | 3 | 32 |
| Philippines | 13 | - | 4 | 17 |
| Portugal | 17 | 6 | 5 | 28 |
| Russian Federation | 1 | - | 2 | 3 |
| Samoa | 4 | - | - | 4 |
| Spain | 4 | - | - | 4 |
| Sri Lanka | 2 | - | - | 2 |
| Sweden | 2 | - | 2 | 4 |
| Turkey | 6 | - | - | 6 |
| Ukraine | 2 | - | - | 2 |
| United States of America | 9 | - | - | 9 |
| Zambia | 1 | - | - | 1 |
| Zimbabwe | 2 | - | - | 2 |
| **Total** | **140** | **428** | **42** | **610** |

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